

AMENDED IN ASSEMBLY AUGUST 4, 2014

**SENATE BILL**

**No. 872**

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**Introduced by Committee on Budget and Fiscal Review**

*(Coauthors: Assembly Members Muratsuchi, Skinner, and Williams)*

January 9, 2014

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~~An act relating to the Budget Act of 2014.~~ *An act to amend the Budget Act of 2014 (Chapter 25 of the Statutes of 2014) by amending Items 6440-001-0001 and 6610-001-0001 of Section 2.00 of that act, relating to the State Budget, and making an appropriation therefor, to take effect immediately, budget bill.*

LEGISLATIVE COUNSEL'S DIGEST

SB 872, as amended, Committee on Budget and Fiscal Review.  
Budget Act of 2014.

*The Budget Act of 2014 made appropriations for the support of state government for the 2014–15 fiscal year.*

*This bill would amend the Budget Act of 2014 by revising items of appropriation pertaining to the University of California and the California State University.*

*This bill would declare that it is to take effect immediately as a Budget Bill.*

~~This bill would express the intent of the Legislature to enact statutory changes relating to the Budget Act of 2014.~~

Vote: majority. Appropriation: ~~no~~-yes. Fiscal committee: ~~no~~  
yes. State-mandated local program: no.

*The people of the State of California do enact as follows:*

*SECTION 1. Item 6440-001-0001 of Section 2.00 of the Budget Act of 2014 is amended to read:*

6440-001-0001—For support of University of California.....	<del>2,935,671,000</del>
	2,985,671,000

Schedule:

(1) Support.....	<del>2,935,671,000</del>
	2,985,671,000

Provisions:

1. This appropriation is exempt from Sections 6.00 and 31.00.

2. (a) The Regents of the University of California shall approve a plan that includes at least all of the following:

(1) Projections of available resources in the 2015–16, 2016–17, and 2017–18 fiscal years.

In projecting General Fund appropriations and student tuition and fee revenues, the university shall use any assumptions provided by the Department of Finance. The Department of Finance shall provide any assumptions no later than August 1, 2014.

(2) Projections of expenditures in the 2015–16, 2016–17, and 2017–18 fiscal years and descriptions of any changes to current operations necessary to ensure that expenditures in each of those years are not greater than the available resources projected for each of those years pursuant to paragraph (1).

(3) Projections of resident and non-resident enrollment in the 2015–16, 2016–17, and 2017–18 academic years, assuming implementation of any changes described in paragraph (2).

(4) The university's goals for each of the performance measures listed in subdivision (b) of Section 92675 of the Education Code for the 2015–16, 2016–17, and 2017–18 academic

years, assuming implementation of any changes described in paragraph (2).

- (b) The plan approved pursuant to subdivision (a) shall be submitted, no later than November 30, 2014, to the Director of Finance, the chairpersons of the committees in each house of the Legislature that consider the State Budget, the chairpersons of the budget subcommittees in each house of the Legislature that consider the budget for the University of California, the chairpersons of the committees in each house of the Legislature that consider appropriations, and the chairpersons of the policy committees in each house of the Legislature with jurisdiction over bills relating to the university.

2.5. Of the funds appropriated in this item:

- (a) \$4,000,000 shall be used for the centers for labor research and education at the Berkeley and Los Angeles campuses. Of this amount, \$2,000,000 is one-time funding.
- (b) \$2,000,000 is one-time funding and shall be used for the California Blueprint for Research to Advance Innovations in Neuroscience Act of 2014.
- (c) \$770,000 shall be used for the Statewide Database.

- 3. (a) The University of California shall allocate from this appropriation the amount necessary to pay in full the fees anticipated to become due and payable during the fiscal year associated with lease-revenue bonds issued by the State Public Works Board on its behalf that have been defeased and the amount of general obligation bond debt service attributable to the university.
- (b) The Controller shall transfer funds from this appropriation upon receipt of the following reports:
  - (1) The State Public Works Board shall report to the Controller the fees anticipated to become due and payable in the fiscal year associated with lease-revenue bonds that were

1 issued on behalf of the university that have  
2 been defeased.

3 (2) The Department of Finance shall report to  
4 the Controller the amount of general obliga-  
5 tion bond debt service anticipated to become  
6 due and payable in the fiscal year attributable  
7 to the university.

8 (3) The State Public Works Board or the Depart-  
9 ment of Finance shall submit a revised report  
10 if either entity determines that an amount  
11 previously reported to the Controller is inac-  
12 curate based on revised estimates or actual  
13 amounts. If necessary pursuant to any revised  
14 reports, the Controller shall return funds to  
15 this appropriation. Any returned funds that  
16 were previously transferred pursuant to this  
17 subdivision shall be available for expenditure  
18 until June 30, 2016.

19 4. Payments made by the state to the University of Cali-  
20 fornia for each month from July through April shall  
21 not exceed one-twelfth of the amount appropriated in  
22 this item, less the amount that is allocated pursuant to  
23 subdivision (a) of Provision 3. Transfers of funds  
24 pursuant to subdivision (b) of Provision 3 shall not be  
25 considered payments made by the state to the univer-  
26 sity.

27 5. The funds appropriated in this item shall not be avail-  
28 able to support auxiliary enterprises or intercollegiate  
29 athletic programs.

30 6. *Of the funds appropriated in this item, \$50,000,000 is*  
31 *available for one-time purposes, including deferred*  
32 *maintenance. The amount allocated pursuant to this*  
33 *provision shall be available for encumbrance or expen-*  
34 *diture until June 30, 2016. It is the intent of the Legis-*  
35 *lature that, if the economy continues to recover and*  
36 *General Fund revenues exceed projections, the aug-*  
37 *mentation provided in this provision shall become on-*  
38 *going beginning in the 2015-16 fiscal year for the*  
39 *purpose of increasing enrollment of California stu-*  
40 *dents and improving student services.*

*SEC. 2. Item 6610-001-0001 of Section 2.00 of the Budget Act of 2014 is amended to read:*

6610-001-0001—For support of California State University..... ~~2,692,273,000~~  
2,742,273,000

Schedule:

(1) Support..... ~~2,692,273,000~~  
2,742,273,000

Provisions:

1. This appropriation is exempt from Sections 6.00 and 31.00 but is subject to the applicable sections of the Government Code referred to in subdivision (a) of Section 31.00.
2. (a) The Trustees of the California State University shall approve a plan that includes at least all of the following:
  - (1) Projections of available resources in the 2015–16, 2016–17, and 2017–18 fiscal years. In projecting General Fund appropriations and student tuition and fee revenues, the university shall use any assumptions provided by the Department of Finance. The Department of Finance shall provide any assumptions no later than August 1, 2014.
  - (2) Projections of expenditures in the 2015–16, 2016–17, and 2017–18 fiscal years and descriptions of any changes to current operations necessary to ensure that expenditures in each of those years are not greater than the available resources projected for each of those years pursuant to paragraph (1).
  - (3) Projections of resident and non-resident enrollment in the 2015–16, 2016–17, and 2017–18 academic years, assuming implementation of any changes described in paragraph (2).
  - (4) The university’s goals for each of the performance measures listed in subdivision (b) of

1 Section 89295 of the Education Code for the  
2 2015–16, 2016–17, and the 2017–18 academ-  
3 ic years, assuming implementation of any  
4 changes described in paragraph (2).

- 5 3. (a) The California State University shall allocate from  
6 this appropriation the amount necessary to pay in  
7 full all amounts anticipated to become due and  
8 payable during the fiscal year for rental, fees, and  
9 insurance associated with lease-revenue bonds  
10 issued by the State Public Works Board on its  
11 behalf and general obligation bond debt service  
12 attributable to the University.

- 13 (b) The Controller shall transfer funds from this ap-  
14 propriation upon receipt of the following reports:

- 15 (1) The State Public Works Board shall report  
16 to the Controller the rental, fees, and insur-  
17 ance anticipated to become due and payable  
18 in the fiscal year associated with its lease-  
19 revenue bonds issued on behalf of the Univer-  
20 sity.

- 21 (2) The Department of Finance shall report to  
22 the Controller the amount of general obliga-  
23 tion bond debt service anticipated to become  
24 due and payable in the fiscal year attributable  
25 to the University.

- 26 (3) The State Public Works Board or the Depart-  
27 ment of Finance shall submit a revised report  
28 if either entity determines that an amount  
29 previously reported to the Controller is inac-  
30 curate based on revised estimates or actual  
31 amounts. If necessary pursuant to any revised  
32 reports, the Controller shall return funds to  
33 this appropriation. Any returned funds that  
34 were previously transferred pursuant to this  
35 subdivision shall be available for expenditure  
36 until June 30, 2016.

- 37 4. Payments made by the state to the California State  
38 University for each month from July through April  
39 shall not exceed one-twelfth of the amount appropriat-  
40 ed in this item, less the amount that is allocated pur-

1 suant to subdivision (a) of Provision 3. Transfers of  
2 funds pursuant to subdivision (b) of Provision 3 shall  
3 not be considered payments made by the state to the  
4 University.

5 5. Contributions to the Public Employees' Retirement  
6 Fund are charged to this appropriation pursuant to  
7 Section 20822 of the Government Code.

8 6. The Director of Finance has the authority to adjust this  
9 appropriation pursuant to Section 3.60, as well as  
10 Section 89762 of the Education Code.

11 7. *Of the funds appropriated in this item, \$50,000,000 is*  
12 *available for one-time purposes, including deferred*  
13 *maintenance. The amount allocated pursuant to this*  
14 *provision shall be available for encumbrance or expen-*  
15 *diture until June 30, 2016. It is the intent of the Legis-*  
16 *lature that, if the economy continues to recover and*  
17 *General Fund revenues exceed projections, the aug-*  
18 *mentation provided in this provision shall become on-*  
19 *going beginning in the 2015-16 fiscal year for the*  
20 *purpose of increasing enrollment of California stu-*  
21 *dents and improving student services.*

22  
23 *SEC. 3. This act is a Budget Bill within the meaning of*  
24 *subdivision (e) of Section 12 of Article IV of the California*  
25 *Constitution and shall take effect immediately.*

26 ~~SECTION 1. It is the intent of the Legislature to enact statutory~~  
27 ~~changes relating to the Budget Act of 2014.~~